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Ceiia Nogales

Director - Federal Relations

September 11, 1996

meritech

RECEIVED

FEDERAL COMMUNICATIONS COMMISSION OFFICE OF SECRETARY

Mr. William F. Caton **Acting Secretary** Federal Communications Commission 1919 M Street, NW Room 222 Washington, DC 20554

lelia Mozales

RE:

Ex Parte Statement Docket 96-128

Dear Mr. Caton:

On September 10, 1996, Mr. Phil Grybas, Mr. Mike Johnson, Mr. Larry Vazquez and I met with Mr. John Muleta, Chief of the Enforcement Division, to review Ameritech's position as stated in the comments and reply comments filed in the above referenced docket. The attached material was used as part of our discussion.

Sincerely,

Attachment

I. Muleta cc:

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AMERITECH EX PARTE

DOCKET NO. 96-128

SEPTEMBER 10, 1996

AGENDA

- 1. 0+ CALLS SHOULD NOT BE EXCLUDED FROM COMPENSATION
- 2. AMERITECH OFFERS TARIFFED COIN LINES
- 3. ABILITY TO NEGOTIATE WITH LOCATION PROVIDERS ON PRESUBSCRIBED INTERLATA CARRIER
- 4. PUBLIC INTEREST PAYPHONES (PIPs)
- 5. STATE REGULATION OF LOCAL COIN RATES
- 6. PAYPHONE ASSET REASSIGNMENT

0+ CALLS SHOULD NOT BE EXCLUDED FROM COMPENSATION

- Section 276 of the Act requires fair compensation each and every completed call.
- Paragraph 16 tentatively concludes no need for 0+ per call compensation.
- BOC should receive 0+ per call compensation until able to negotiate compensation agreements.
- Per call compensation rules should be flexible.

AMERITECH OFFERS TARIFFED COIN LINES

- Incumbent LECs to offer central office coin transmission services.
- Ameritech offers coin line functionality.
- Willingness to work with switch manufacturers and payphone provider on special requests.

ABILITY TO NEGOTIATE WITH LOCATION PROVIDERS ON PRESUBSCRIBED INTERLATA CARRIER

- Section 276 pursuant to FCC determination grants BOC payphone provider same rights as IPPs.
- Independents enjoy many market freedoms.
- BOC must be allowed to operate and compete on some basis.
- BOCs will be operating on an economic stand-alone basis.

PUBLIC INTEREST PAYPHONES (PIPs)

• Support the maintenance of PIPs in the interest of

public health safety welfare

where otherwise not available.

- PIPs would fulfill public policy objective.
- Support national guidelines for maintenance and funding.

STATE REGULATION OF LOCAL COIN RATES

- Support national guidelines instructing State commissions to allow at minimum cost recovery.
- Rate freezes and other caps should be eliminated.
- D.A. service should be part of some scheme as local drop rate.

PAYPHONE ASSET REASSIGNMENT

- The Commission should follow its existing Rules.
 - Section 32.27(c)

Higher of Net Book Value or Fair Market Value

- MO & O re: Ameritech CAM

No intangibles

- The Commission should follow GAAP rules.
 - Requires net book value.
 - No "gain" recognized until realized.
- The Commission does not need to apply "shared" investment rules.
 - No "shared" investment will occur.
 - Undepreciated baseline cost method, therefore, does not apply.

PAYPHONE ASSET REASSIGNMENT

- The Commission should follow its existing Rules.
 - Section 32.27(c)

Higher of Net Book Value or Fair Market Value

- MO & O re: Ameritech CAM

No intangibles, such as location contracts

- The Commission should follow GAAP rules.
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